

Grand Telephone Company, Inc.

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March 7, 2014

Ms. Marlene H. Dortch
Secretary
Federal Communications Commission
445 12th Street, SW
Washington, DC 20554

RE: Expression of Interest – Rural Broadband Experiments
Connect America Fund, WC Docket No. 10-90

Dear Ms. Dortch:

Grand Telephone Company, Inc.

Outline of Broadband Expression of Interest

A. Entity Background

Grand Telephone Company, Inc. (Grand) is an independent local exchange company that provides telephone and broadband service for the Jay and Disney, OK exchanges. Grand has been in business as an Oklahoma corporation since 1956, and currently has eighteen (18) employees.

Grand has responsibilities to its customers that create a culture of equality among all residents. No matter where a potential customer may live in the exchange, no matter how big or small their house, and no matter how high or low their income level, all residents have the right to request service and receive the same high level of service that the counterpart to their circumstances will receive. Grand regularly has requests for service 3-5 miles out from their closest point of current service, and fulfills those requests at no extra cost to the customer. Most of the time, these are rural customers out of the range of any wireless carrier's signal. Both the Jay and Disney exchanges have a high population in the low income category. Thus, the Lifeline program for low cost telephone

service is very beneficial to Grand's service area. Approximately 15-20% of residential customers benefit from the low-income Lifeline program currently.

Grand's service area is south of Grand Lake in Northeast Oklahoma in Delaware and Mayes counties. These exchanges cover a 205 square mile area with 14 subscribers per square mile.

Grand is completing a fiber to the home upgrade in the town of Jay Oklahoma, and has started a FTTH project in the town of Disney. In the rural portions of the exchanges, Grand has deployed fiber fed nodes and offers ADSL. All broadband services are offered with speeds greater than 4 Mbps downstream and 1 Mbps upstream.

B. Geographic Territory

Grand's targeted unserved or limited broadband areas are the rural areas north and east of their existing exchanges. These areas are south of Grand Lake in Delaware County, Oklahoma.

State	County	County Name	TractID	Eligible High Cost Locations	Extremely High Cost Locations	Annual Support
OK	40041	Delaware	40041375601	81	2	\$35,340.97
OK	40041	Delaware	40041375602	10	0	\$4,512.86
OK	40041	Delaware	40041375700	4	0	\$2,352.74
OK	40041	Delaware	40041375801	6	0	\$534.18
OK	40041	Delaware	40041375802	5	0	\$373.49
OK	40041	Delaware	40041375900	84	1	\$35,241.36
OK	40041	Delaware	40041376000	256	27	\$323,193.29
OK	40041	Delaware	40041376100	2	1	\$22,009.39
OK	40041	Delaware	40041976200	478	19	\$477,116.09

C. Broadband Technology

Grand plans to provide services in unserved or underserved areas, using a combination of FTTH along fiber routes to be built to proposed tower locations and WiMax 802.16e serving remote areas. Speeds to be offered via FTTH will exceed 4 Mbps downstream and 1 Mbps upstream. The WiMax system offers 32 Mbps of throughput per sector. Sectors will be established to provide speeds, which exceed the 4 Mbps/1 Mbps requirement.

D. Service Offerings

PLATINUM PACKAGE - 6Mb Down/1Mb Up	Price per month
<i>1-year contract</i>	\$59.95
<i>without telephone service</i>	\$86.95
<i>3-year contract</i>	\$53.95
<i>without telephone service</i>	\$96.25

PLATINUM PLUS PACKAGE - 9Mb Down/1Mb Up	Price per month
<i>1-year contract</i>	\$79.95
<i>without telephone service</i>	\$106.95
<i>3-year contract</i>	\$71.95
<i>without telephone service</i>	\$96.25

E. State, Local or Tribal Participation

Grand does not anticipate that state or local funding will be available. Grand's existing customer base contains a high percentage of Cherokee Nation and Seneca-Cayuga Tribal Members and coordinates with the Cherokee Nation on a regular basis. The tribal coordination process will continue for this project.

F. Existing Providers

The existing providers in the nine (9) tracts are AT&T, BCI Broadband, Precision Wireless Internet, Salina Spavinaw Tel, Telephone & Data Systems Inc., Terral Tel, The Junction and Verizon

G. List of Anchor Institutions

Butler Volunteer Fire Department Incorporated
Tiff City Volunteer Fire Department
Cowskin Rural Fire District Station 2
Cowskin Rural Fire District Station 1
Grove High School
Department
Grove Public Library
Grove Fire Department
Department
Grove City Hall
Grove Police Department
Integris Grove General Hospital

Kansas MS
Kansas High School
Kansas Police Department
Kansas Town Hall
Kansas Volunteer Fire

Kansas ES
Flint Ridge Volunteer Fire

Oaks Volunteer Fire Department
Oaks-Mission ES
Oaks-Mission High School

Grove Upper ES
 Grove Lower ES
 Grove MS
 Cleora Fire Department Station 2
 Cleora Public School
 Cleora Community Fire Department
 City of Bernice Volunteer Fire Department
 Bernice
 Department
 Monkey Island Fire Association
 Fire Dep
 Hickory Grove Fire Department
 Lakemont Shores Fire Protection District
 Eucha Volunteer Fire Department
 Zena Volunteer Fire Department Station 1
 Zena Volunteer Fire Department Station 2
 Tijuana Volunteer Fire Department
 Jay High School
 Jay Upper ES
 Oklahoma Forestry Services - Delaware
 Jay MS
 Jay Police Department
 Delaware County Sheriff's Office
 Jay Fire Department
 Jay ES
 Delaware County Health Department
 Jay city Hall
 Jay - Delaware County Library
 Kenwood Fire Association
 Kenwood Public School
 Leach Public School
 Leach Community Fire Department Association

Oaks Town Hall
 Colcord Police Department
 Colcord High School
 Colcord ES
 Colcord Town Hall
 Moseley Public School
 West Siloam Springs Town Hall
 West Siloam Springs Police

 West Siloam Springs Volunteer

H. Funding Proposed

Tract	Tower Costs	Fiber Costs	Engineering	Total
40041375601	\$1,080,000	\$325,000	\$90,900	\$1,495,900
40041375602			\$0	\$0
40041375700	\$1,080,000	\$195,000	\$67,500	\$1,342,500
40041375801	\$1,080,000		\$32,400	\$1,112,400
40041375802	\$810,000		\$24,300	\$834,300
40041375900	\$810,000	\$1,300,000	\$258,300	\$2,368,300
40041376000	\$1,890,000	\$325,000	\$115,200	\$2,330,200
40041376100	\$810,000		\$24,300	\$834,300
40041976200	\$2,160,000	\$975,000	\$240,300	\$3,375,300
GRAND TOTAL				\$13,693,200

I. Project Timeline

Based on the rock terrain of Delaware County Oklahoma and the SHPO/NEPA review requirements, Grand anticipates the project will take two (2) to three (3) years to complete.

J. Comments

Given the investment requirement and the low income demographics of the geographic territory, Grand expects that the project will require continuing funding. The estimated annual funding requirement is \$684,660, which is on top of the initial capital investment.

Grand Telephone Company thanks the commission for their interest in providing ubiquitous broadband service and respectfully submits this non-binding expression of interest.

Sincerely,

A handwritten signature in black ink, appearing to read 'J. Anderson', with a long horizontal flourish extending to the right.

Jason Anderson
Co-Manager
Grand Telephone Company, Inc.